The Great Product Squeeze

The World is Running on Empty

21 July 2026

«The problem of oil, it might be tersely said, is that there is always too much or too little»

Myron Watkins

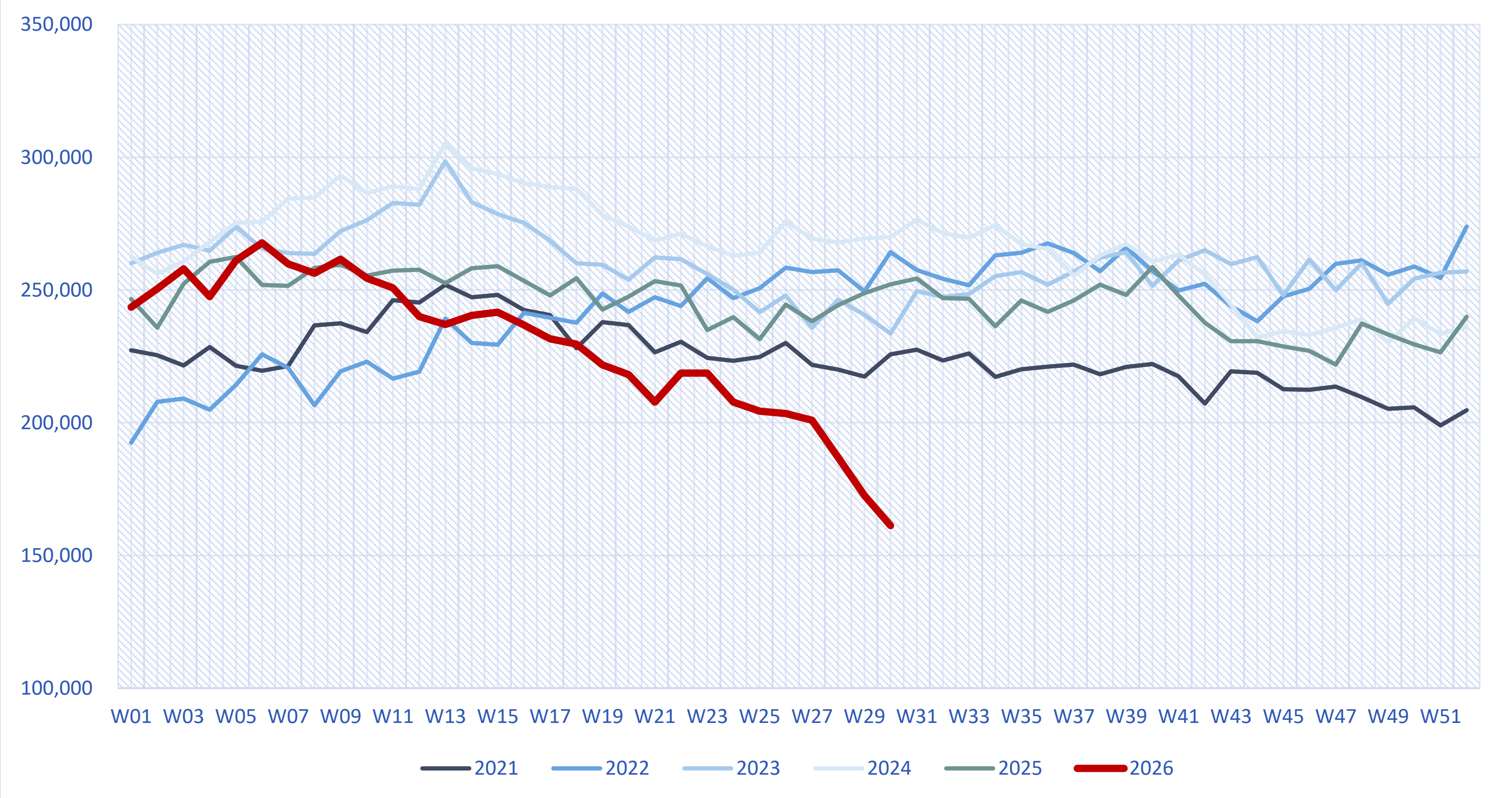
Oil: Stabilization or Conservation?

1937

Products On Water

Transportation fuels on water are collapsing…

Petroleum Products on Water: Gasoline; Diesel; Gasoil; Jet (in kb)

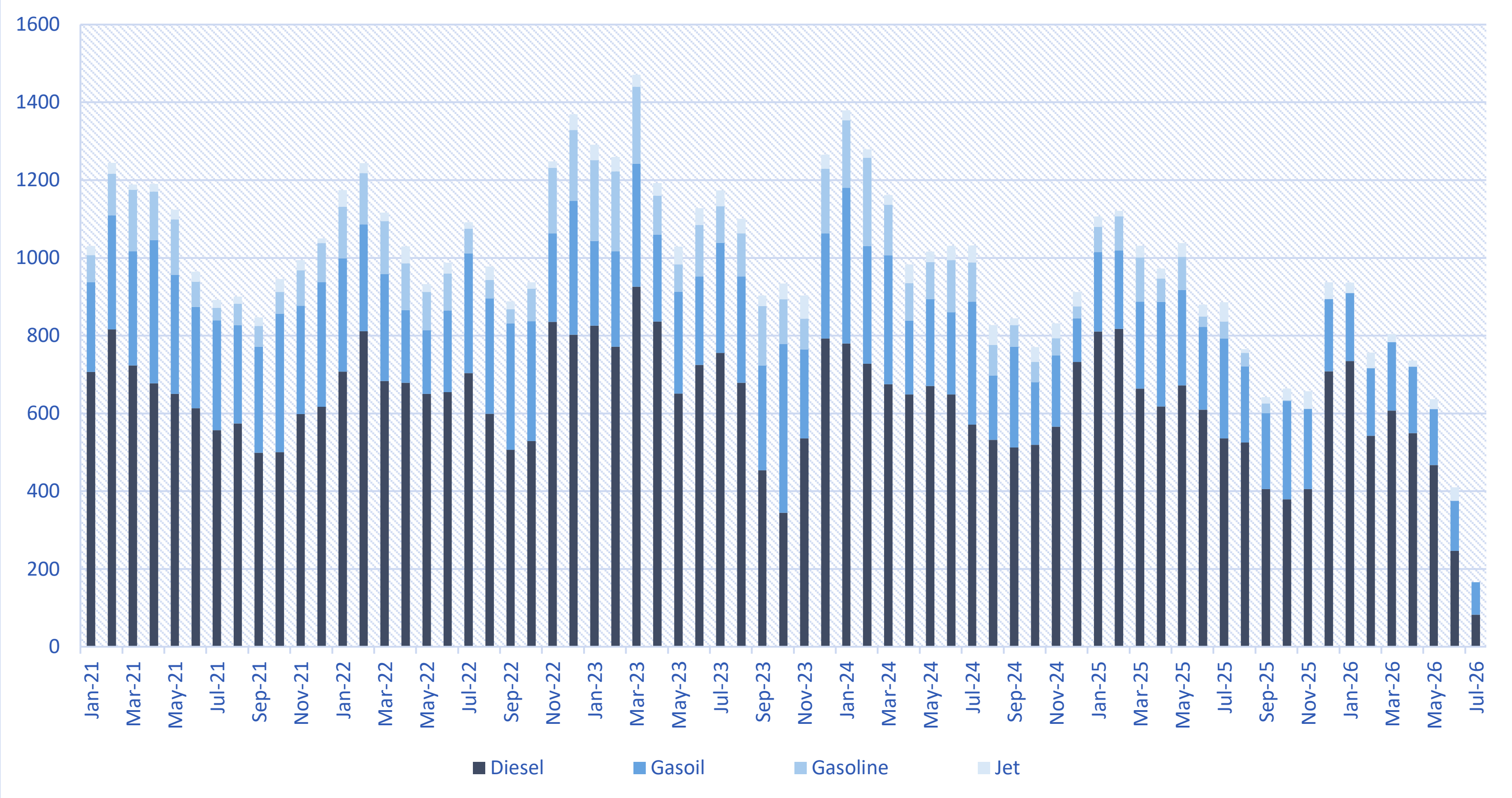


Source: Burggraben analysis; Kpler

Russia

Russia cannot export diesel…

Russian Exports: Gasoline; Diesel; Gasoil; Jet (in kbpd)

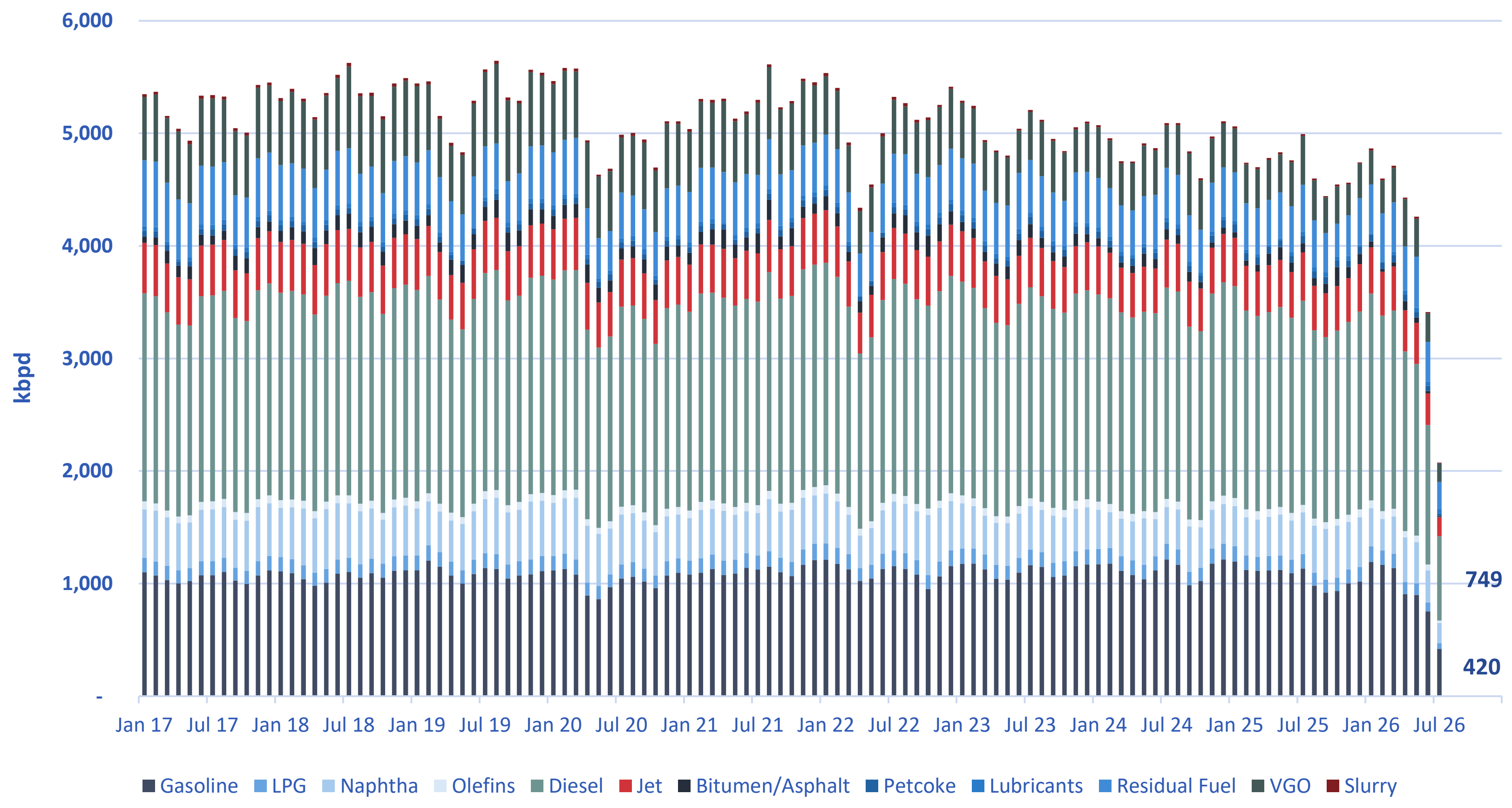


 Source: Burggraben analysis; Kpler

Russia

…because Russia cannot produce enough diesel for itself as Ukraine's drone strikes have crippled its system.

Russian Refinery System Output by Products (in kbpd)

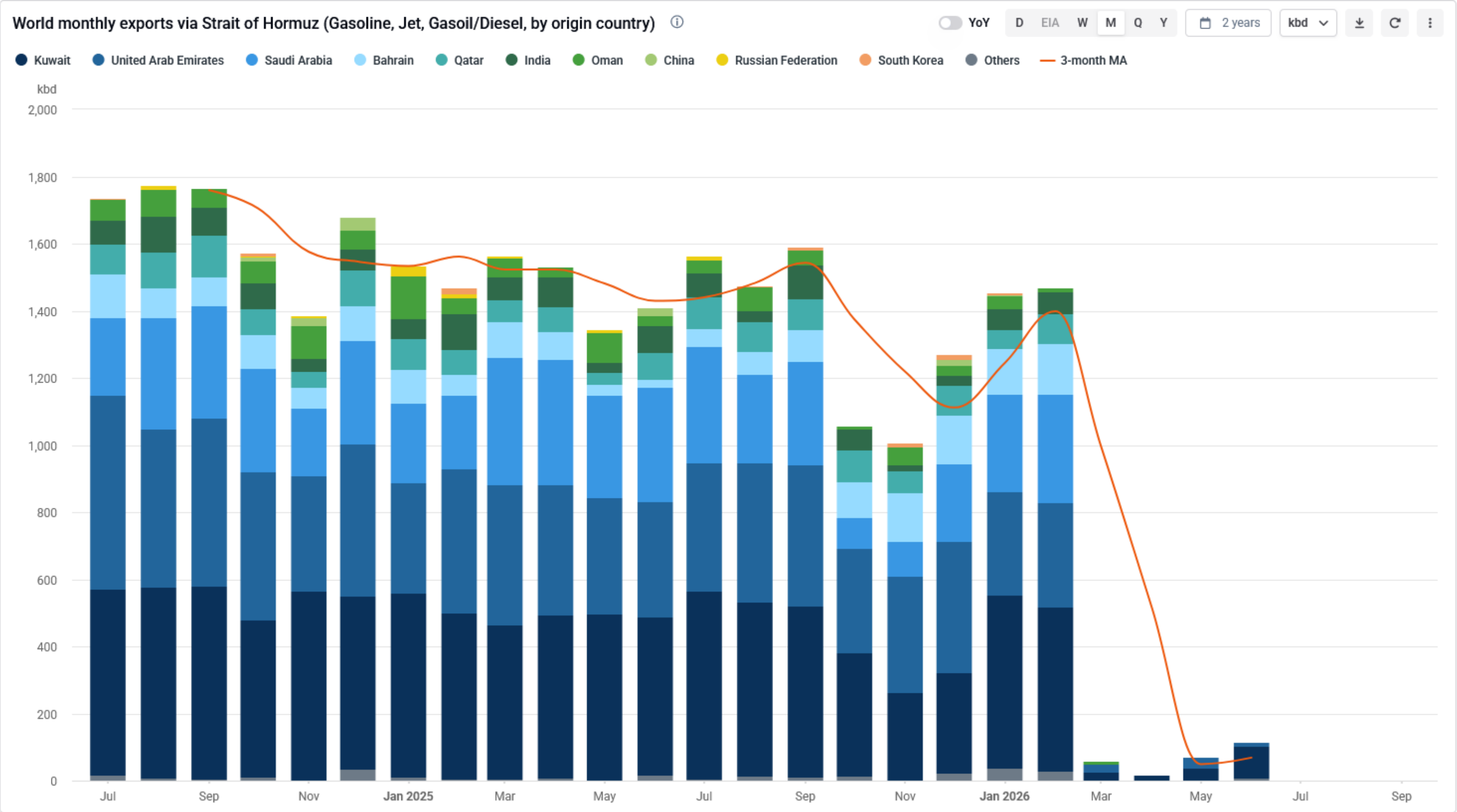


Source: Burggraben analysis; Kpler

Iran War

Meanwhile, the Iran war has reduced also product exports, not just crude oil exports.

Transportation Fuel Exports Via the Strait of Hormuz (in kbpd)

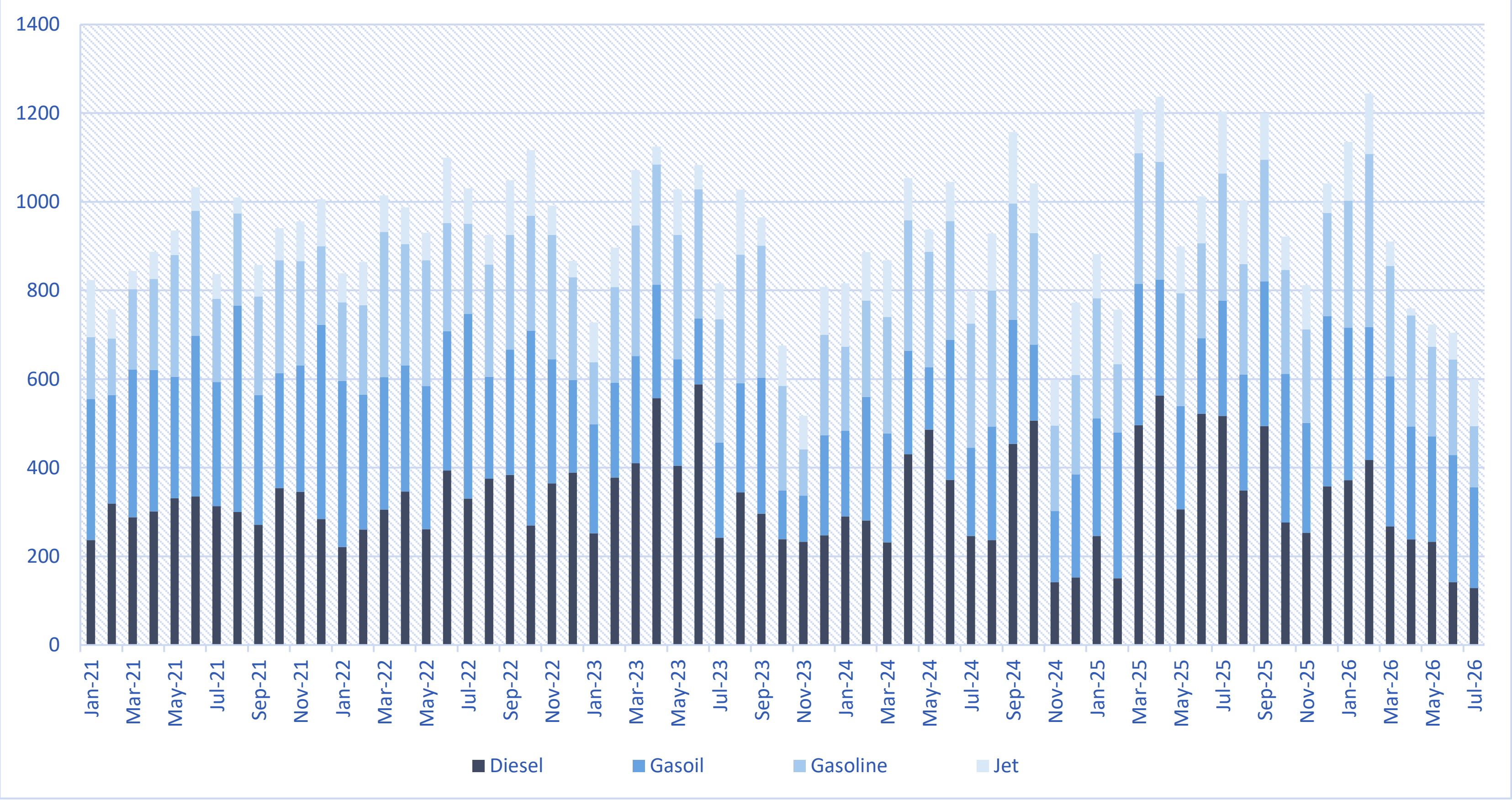


Source: Kpler

Middle East

…which means the Middle East remains product export constraint. From KSA, which is still not bad as most products get shipped in the Red Sea…

Saudi Arabia Exports: Gasoline; Diesel; Gasoil; Jet (in kbpd): Mainly Red Sea

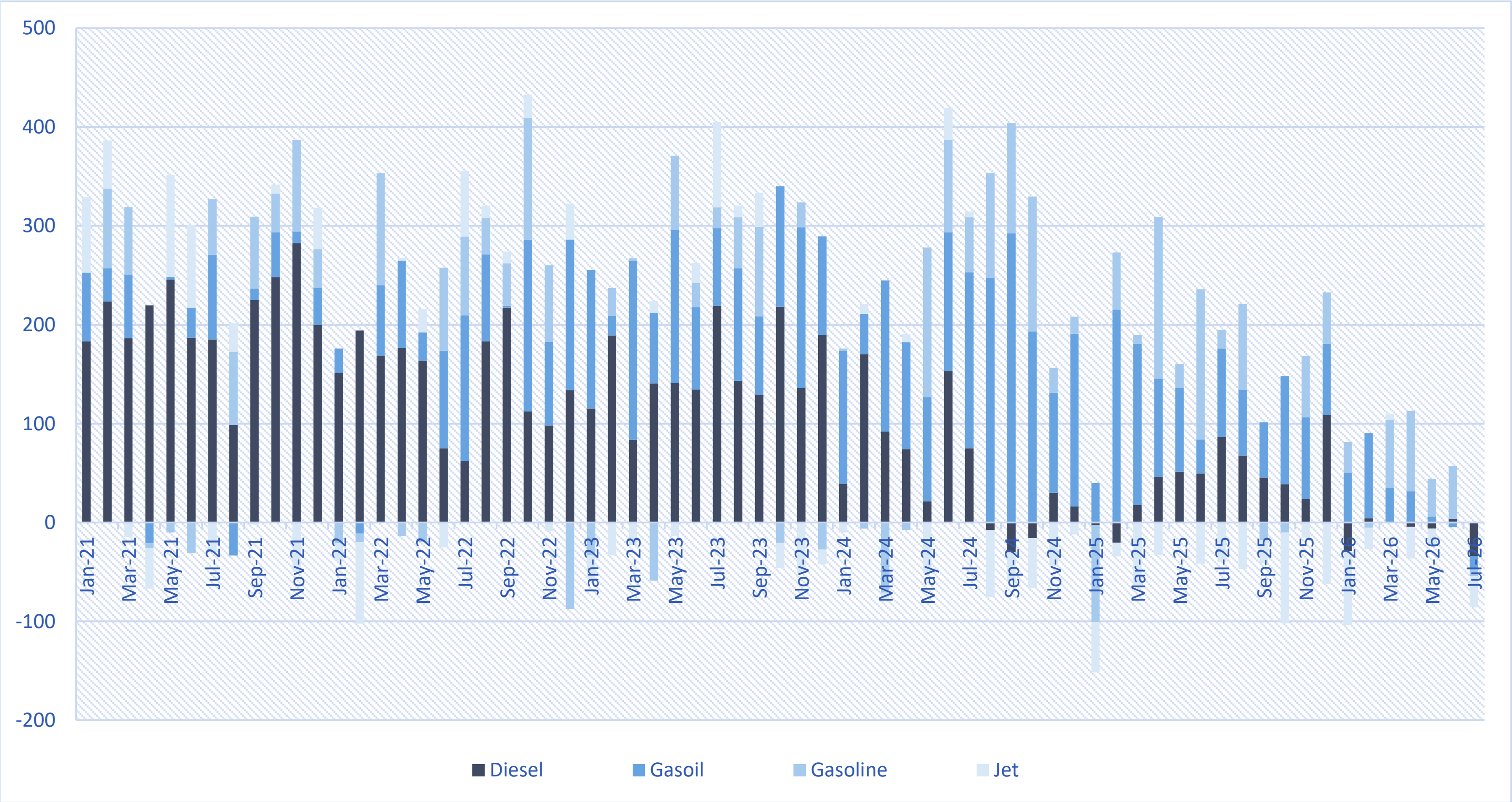


Source: Burggraben analysis; Kpler

Middle East

...to the UAE...

UAE Exports: Gasoline; Diesel; Gasoil; Jet (in kbpd)

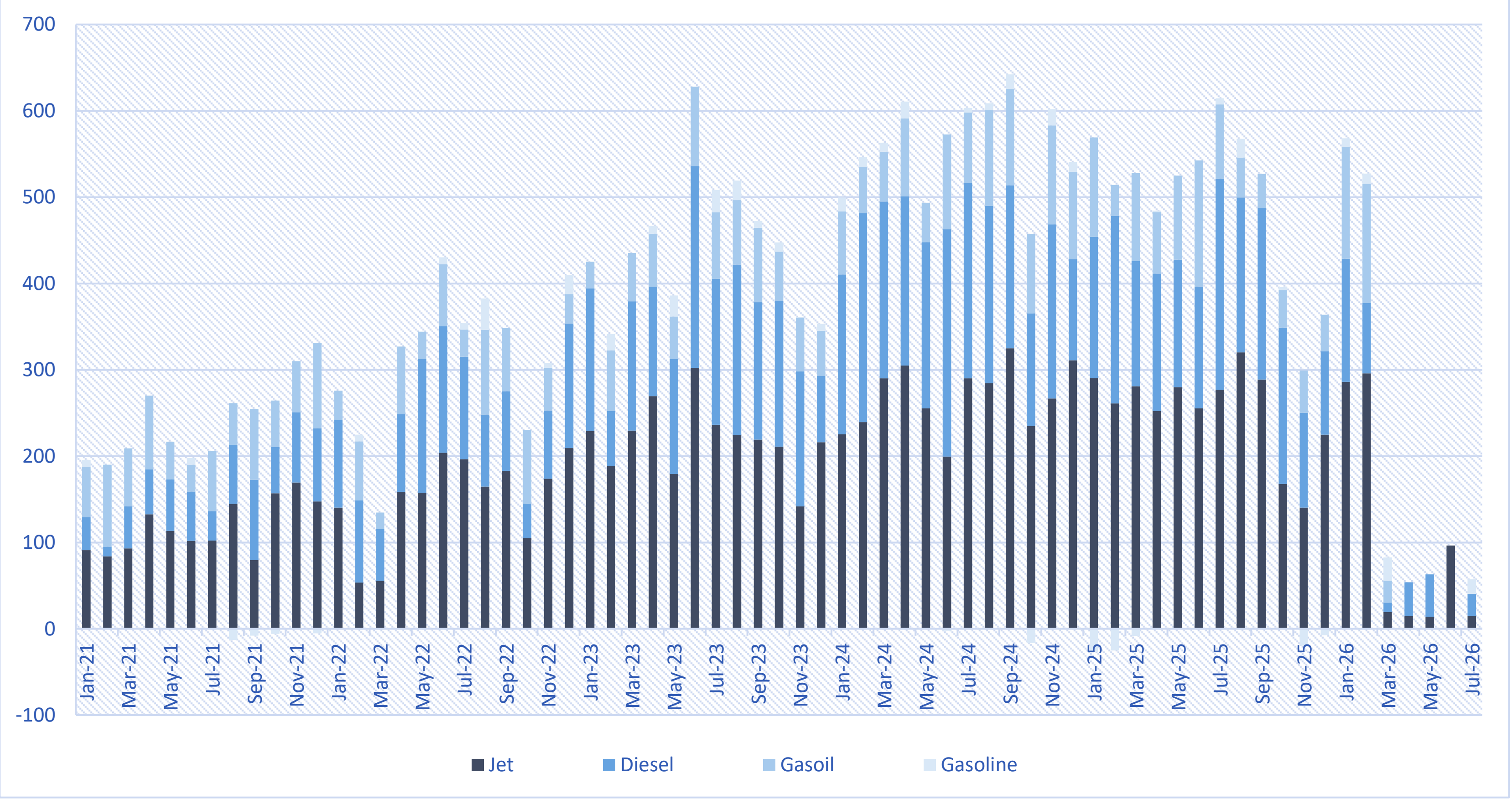


 Source: Burggraben analysis; Kpler

Middle East

…or Kuwait.

Kuwait Exports: Gasoline; Diesel; Gasoil; Jet (in kbpd)

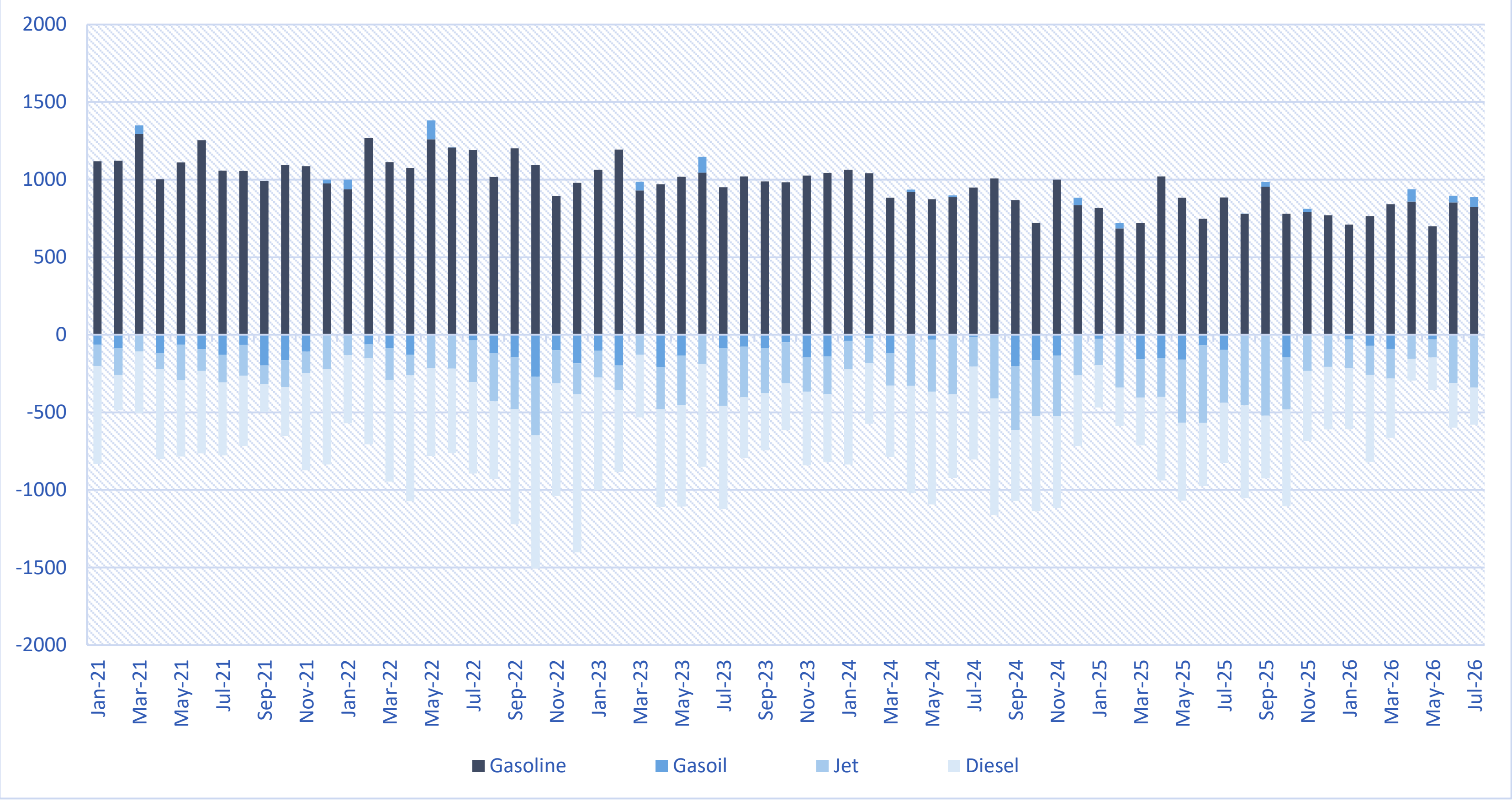


 Source: Burggraben analysis; Kpler

Europe

Europe is traditionally long gasoline and short diesel after its policy push for the diesel engine starting in the 1990ies…

Europe Net Exports: Gasoline; Diesel; Gasoil; Jet (in kbpd)

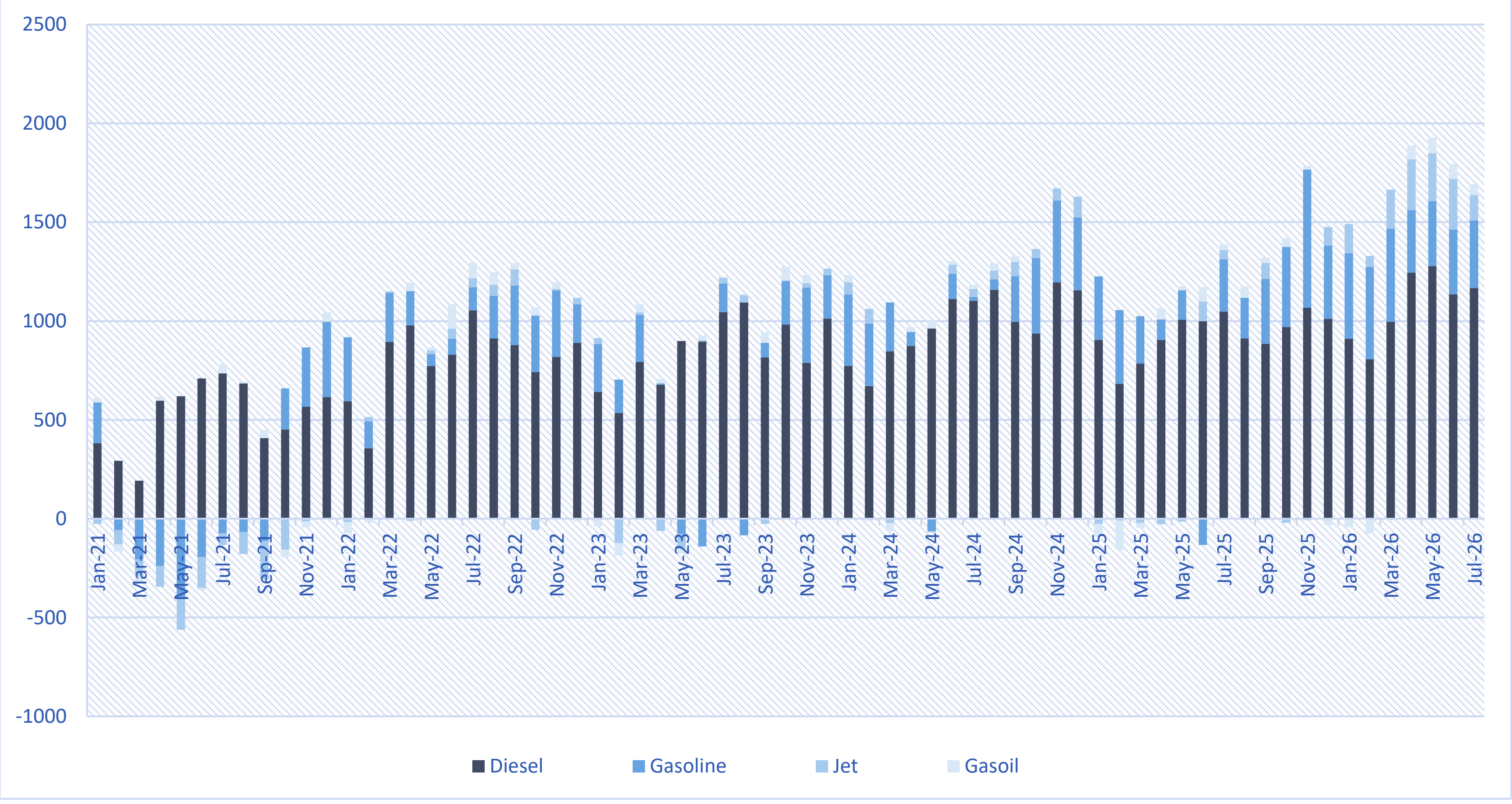


 Source: Burggraben analysis; Kpler

United States

The United States supplies LatAm with transportation fuels, with some diesel shipped to Europe. But the US refinery system is maxed out…

U.S. Net Exports: Gasoline; Diesel; Gasoil; Jet (in kbpd)

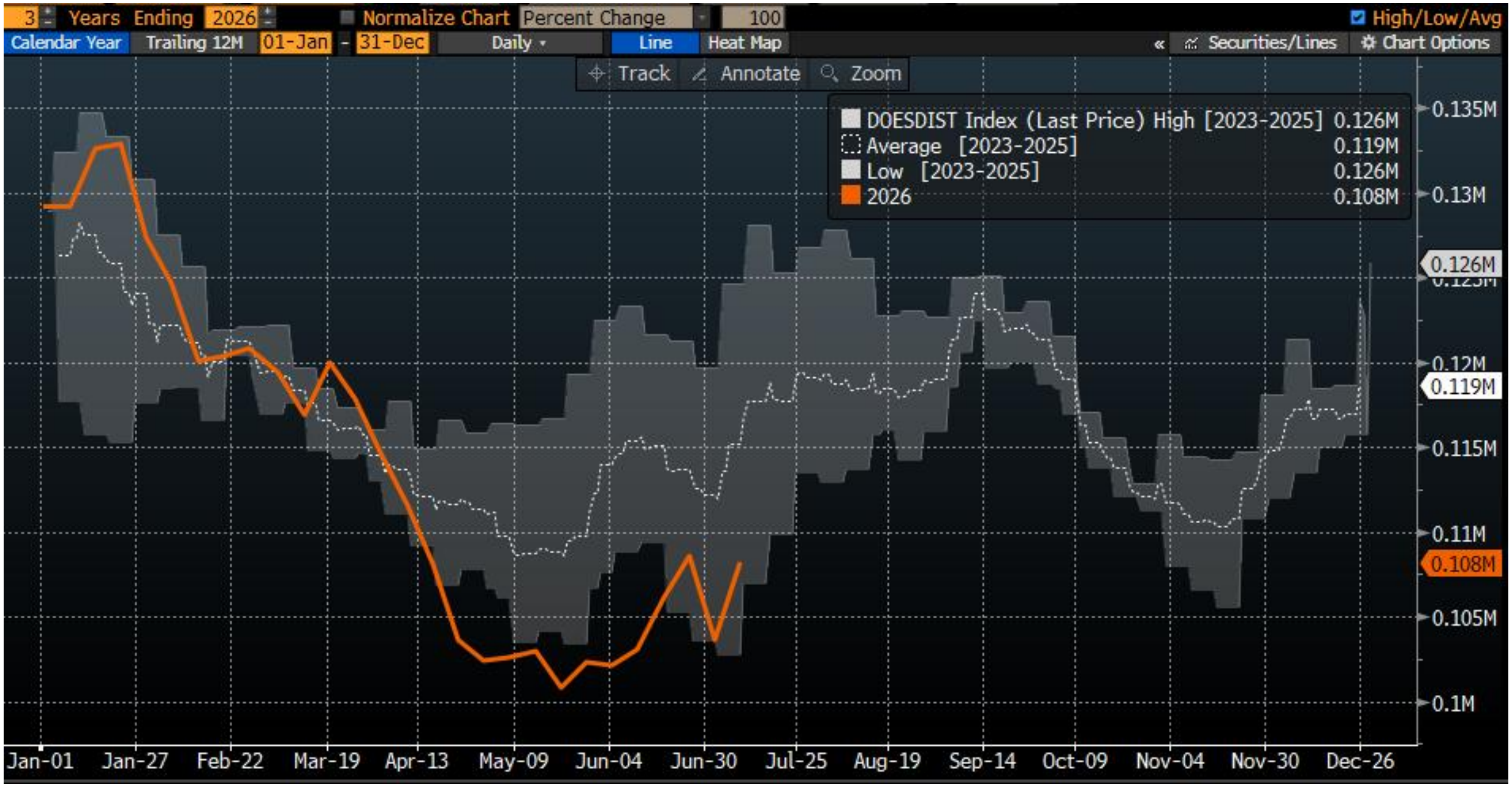


 Source: Burggraben analysis; Kpler

U.S. Product Inventory

…while U.S. diesel inventories are now seasonally low, after significant draws due to the SoH crisis

U.S. Distillate Fuel Oil Inventory (in kb)

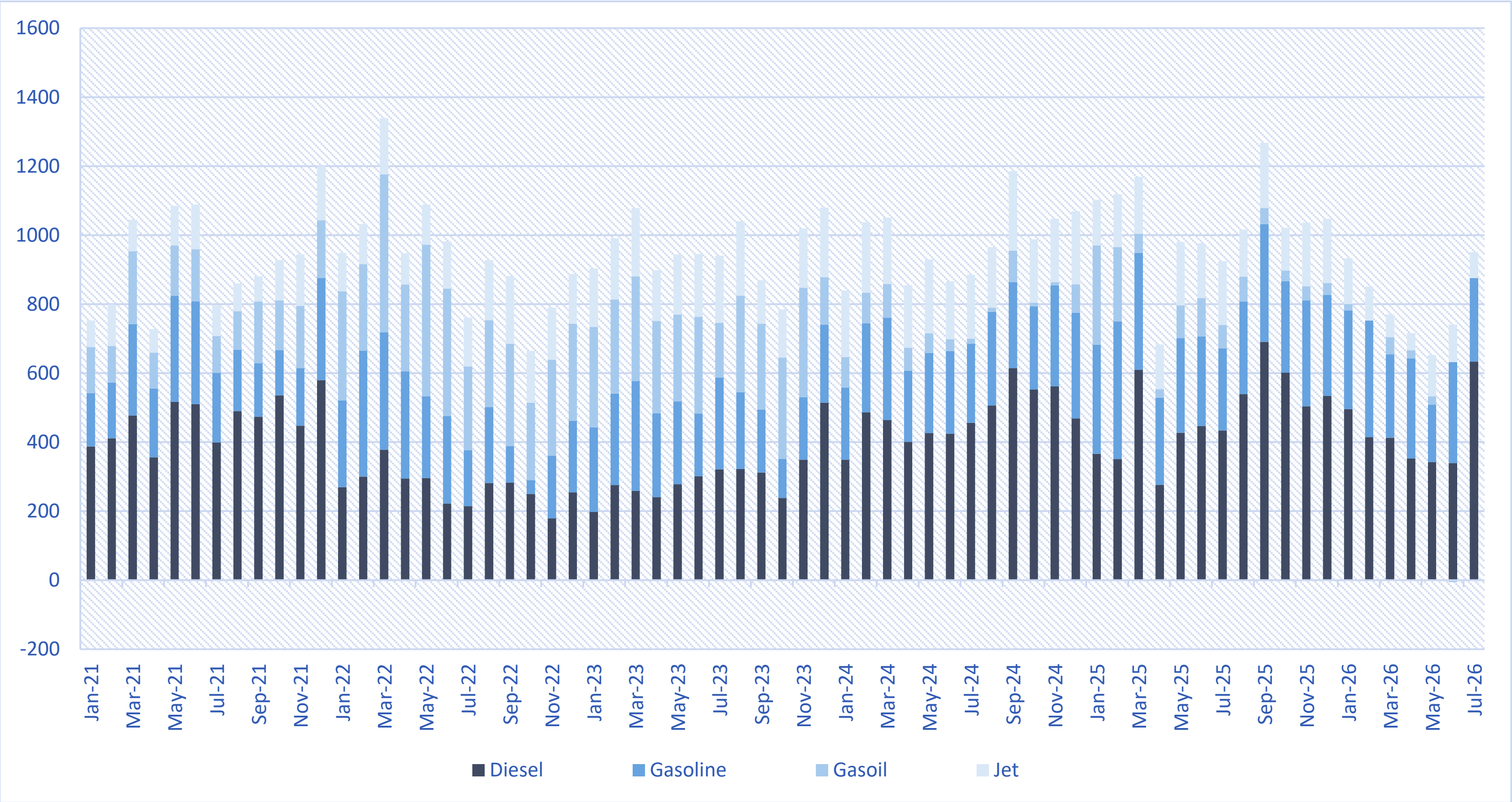


Source: Burggraben analysis; Bloomberg

India

India runs its refinery system of 6mbpd capacity at capacity. It cannot step in as an ADDITIONAL source of diesel and gasoline.

India Net Exports: Gasoline; Diesel; Gasoil; Jet (in kbpd)

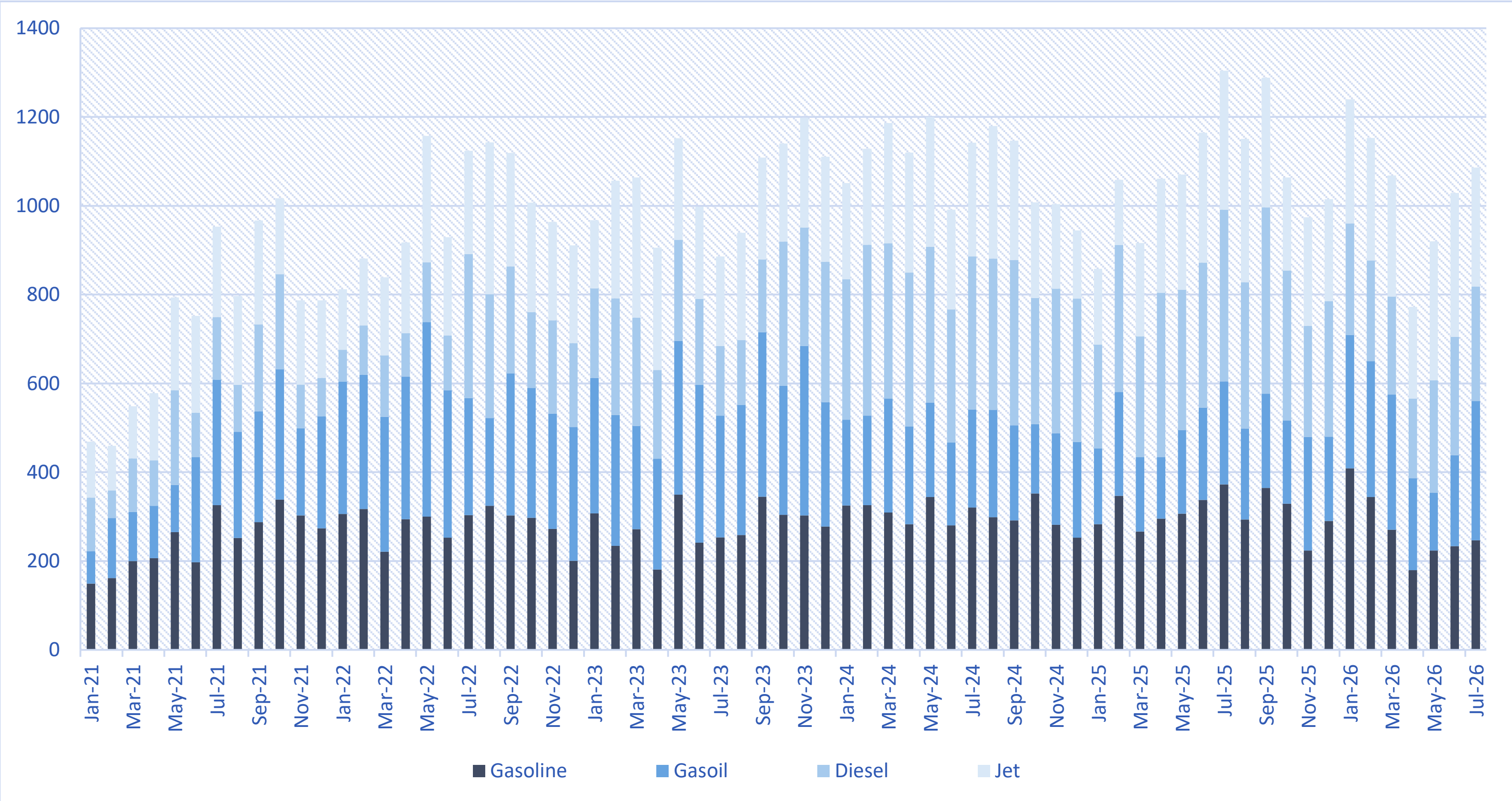


Source: Burggraben analysis; Kpler

South Korea

The same applies for South Korea, Asia's biggest exporter of products together with India and China.

Korea Net Exports: Gasoline; Diesel; Gasoil; Jet (in kbpd)

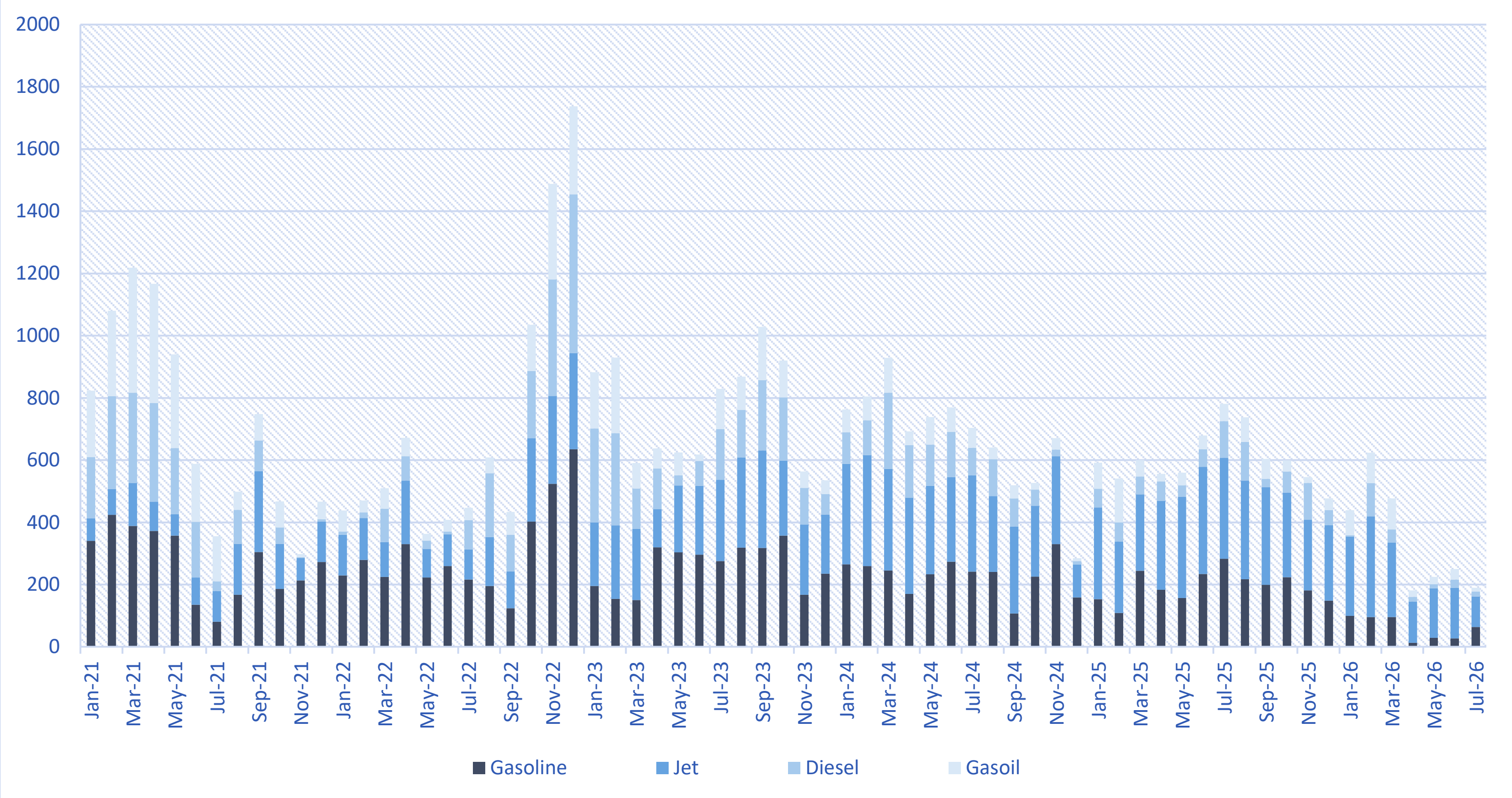


Source: Burggraben analysis; Kpler

China

China has never been a big exporter of transportation fuels when compared to its refinery capacity.

China Exports: Gasoline; Diesel; Gasoil; Jet (in kbpd)

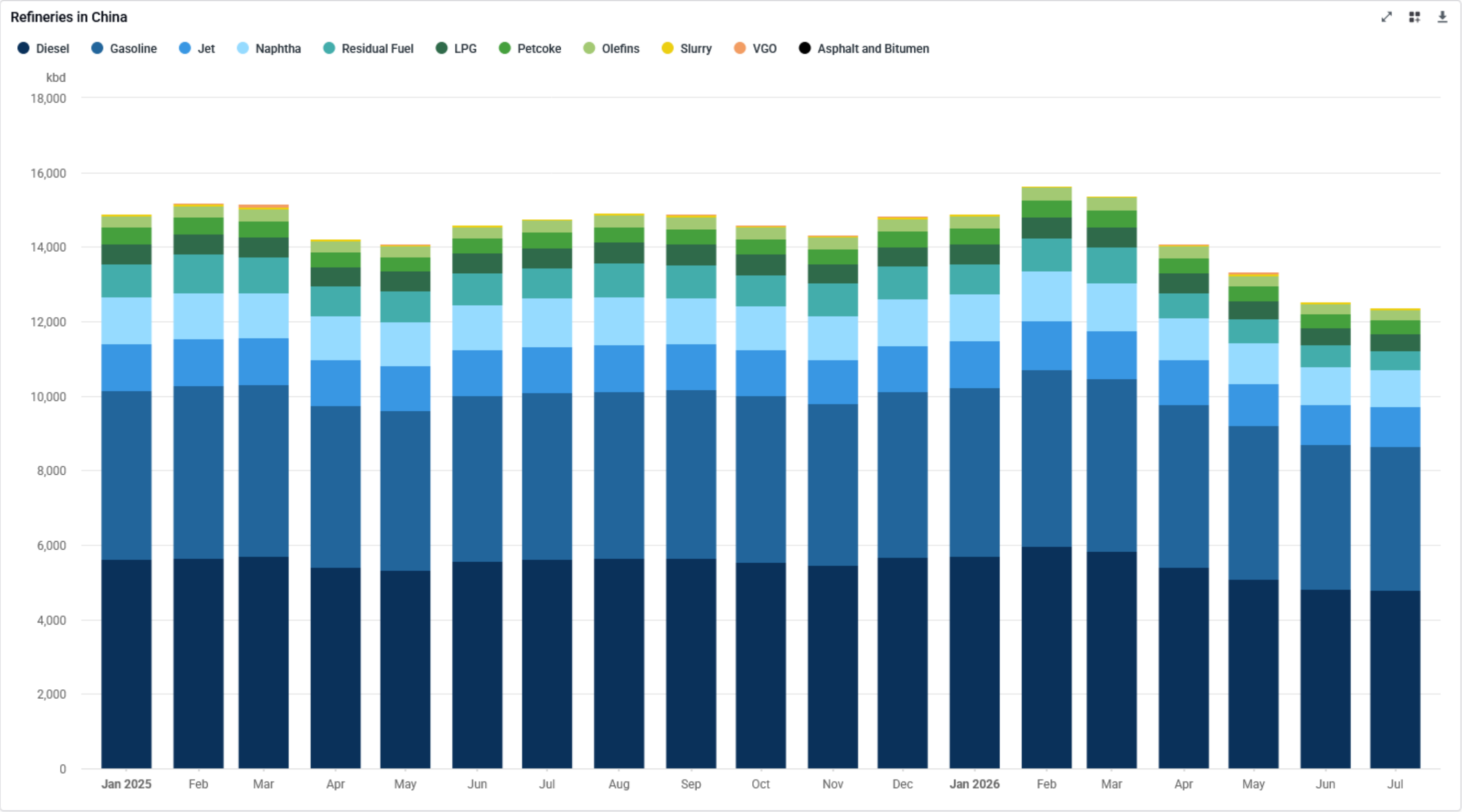


Source: Burggraben analysis; Kpler

China Has Capacity

But China could absolutely add 2mbpd of runs to export diesel, among others. But will it?

China Refinery Runs by Product



 Source: Kpler

Crack Spreads

For now, all of that drives the 3-2-1 crack spreads, i.e. the operational margins of a refinery – the difference bw selling a product mix and buying WTI crude

Synthetic 3-2-1 Crack Spreads in US$/bbl

Product Prices

All of that combined means product prices are now back at crisis level, with diesel well in the $160 ies

Selected Product Prices (in US$/bbl)

Distillates: US$/boe	Warnings	Tensions/Neg	War Start	Last Price	Change in %	Change in %	Change in %
Jet Fuel	07/01/2026	22/01/2026	28/02/2026	21/07/2026	vs Warning	vs Tension	vs War Start
NWE Cargoes	**86.7**	**92.3**	**105.2**	**163.0**	**88.0%**	**76.5%**	**54.9%**
NWE Barges	86.5	91.7	104.2	161.3	86.4%	75.9%	54.7%
Chicago Jet	74.8	86.6	104.4	139.4	86.3%	61.0%	33.5%
Singapore Jet Kero	**79.6**	**85.0**	**93.4**	**149.4**	**87.7%**	**75.8%**	**60.0%**
Korea Jet Kero	76.9	82.1	90.6	146.1	89.9%	77.9%	61.3%
Fujairah Jet Kero	76.7	81.3	88.0	145.8	90.0%	79.4%	65.6%
Gasoil / Diesel							
0.1% ARA Barge	76.6	86.6	97.1	157.3	105.3%	81.6%	62.0%
NWE CIF Cargo	80.4	89.8	100.3	159.6	98.5%	77.8%	59.2%
0.1% MED CIF	80.2	89.6	101.3	163.7	104.1%	82.8%	61.6%
50ppm NWE Barges	**79.5**	**89.0**	**100.0**	**161.6**	**103.3%**	**81.6%**	**61.6%**
500 ppm Singapore	77.2	85.3	92.1	149.2	93.2%	75.0%	62.0%
10ppm Singapore	**77.3**	**85.4**	**92.8**	**153.8**	**98.9%**	**80.1%**	**65.6%**
Fujairah Cargo	73.8	83.3	90.2	148.9	101.9%	78.8%	65.1%
ULSD NWE CIF	**82.0**	**91.6**	**102.3**	**168.1**	**105.1%**	**83.6%**	**64.3%**
ULSD NWE FOB	**80.4**	**89.9**	**101.0**	**166.7**	**107.5%**	**85.5%**	**65.0%**
ULSD MED CIF	**82.1**	**91.0**	**102.3**	**171.7**	**109.2%**	**88.6%**	**67.8%**

Source: Burggraben analysis; Bloomberg

Product Prices

Gasoline remains more behaved, but is far from cheap.

Selected Product Prices (in US$/bbl)

Light Ends: US$/boe	Warnings	Tensions/Neg	War Start	Last Price	Change in %	Change in %	Change in %
Gasoline	07/01/2026	22/01/2026	28/02/2026	21/07/2026	vs Warning	vs Tension	vs War Start
RBOB Futures M1	**71.2**	**76.3**	**87.3**	**142.8**	**100.7%**	**87.1%**	**63.7%**
RBOB Futures M2	72.2	77.2	96.0	135.3	87.4%	75.2%	40.9%
RBOB Futures M3	81.9	86.5	96.3	122.7	49.9%	41.8%	27.4%
Chicago 85	63.2	68.8	82.8	131.2	107.6%	90.8%	58.5%
Chicago 91	**63.8**	**67.0**	**83.4**	**131.2**	**105.6%**	**95.9%**	**57.3%**
Group 3 85	64.6	69.8	83.0	137.2	112.3%	96.5%	65.2%
Group 3 91	69.5	73.4	100.4	147.4	112.1%	100.8%	46.8%
EBOB E10 NWE FOB	68.2	73.1	81.2	128.9	88.8%	76.4%	58.7%
EBOB E5 NWE FOB	68.4	73.6	80.6	130.6	90.8%	77.5%	62.1%
95 RON MED FOB	**71.4**	**76.3**	**83.3**	**129.8**	**81.9%**	**70.2%**	**55.8%**
95 RON NWE CIF	74.2	78.1	84.4	141.3	90.4%	81.0%	67.4%
95 RON NWE FOB	69.4	74.4	82.0	132.0	90.2%	77.5%	60.9%
98 RON NWE FOB	77.9	79.1	92.9	143.0	83.6%	80.7%	54.0%
92 RON Sing	69.7	72.4	79.9	114.3	63.9%	57.9%	43.1%
95 RON Sing FOB	**70.6**	**73.7**	**82.1**	**117.5**	**66.5%**	**59.5%**	**43.2%**
97 RON Sing FOB	70.9	73.9	82.1	120.3	69.8%	62.8%	46.5%
92 RON Indo CIF	71.0	73.9	81.3	116.0	63.3%	56.9%	42.7%
92 RON Japan CIF	**72.3**	**75.2**	**82.6**	**117.5**	**62.4%**	**56.2%**	**42.2%**
92 RON W India	67.1	69.3	77.3	111.4	65.9%	60.7%	44.0%
95 RON Aus CIF	73.8	77.1	84.2	119.5	62.0%	55.0%	41.9%

Source: Burggraben analysis; Bloomberg

Contact Details

Burggraben Holding AG
Baarerstrasse 8
CH-6300 Zug